

General Rules of Marine Insurance 1919

adopted by the German Underwriters
and drafted in collaboration with German Chambers of Commerce
and other Corporations concerned
under the auspices of the Hamburg Chamber of Commerce

Authorized Translation

prepared by
DR. ALFRED SIEVEKING †
at the request of and published by
The Corporation of Hamburg Underwriters

3rd revised edition

with an appendix:

Supplementary Clauses to the General Rules of Marine Insurance
(M.I.R.) for Cargo (1947) and D.T.V. - War Risk Clauses 1955



HAMBURG
CRAM, DE GRUYTER & CO.
1965

CONTENTS

First Part. General Principles.

Section 1. Insurable Interest.

- § 1. Insurable interest defined.
- § 2. Where the assured has no insurable interest.
- § 3. Insurable interest and payment of premium.
- § 4. Where interest ceases or does not come into existence.
- § 5. Lost or not lost.

Section 2. Insurable Value. Undervaluation. Overvaluation. Double-Insurance.

- § 6. Insurable value.
- § 7. Separate valuation.
- § 8. Under-insurance.
- § 9. Over-insurance.
- § 10. Double-insurance.
- § 11. When Double-insurance may be rectified
- § 12. Notice to be given in case of Double-insurance.

- § 13. Section 3. Insurance is uberrimae fidei.

Section 4. The Policy. The Premium. Return of Premium.

- § 14. The policy.
- § 15. Terms of policy approved.
- § 16. Premium when payable. Securities when acquired.
- § 17. Failure in paying the premium or in tendering securities.
- § 18. Consideration for return of premium.

Section 5. Disclosure. Representations. Alteration of risk.

- § 19. Disclosure.
- § 20. Concealment and misrepresentation.
- § 21. Material circumstance.
- § 22. Duty of agent to disclose.
- § 23. Alteration of risk.
- § 24. Effect of alteration of risk.
- § 25. Additional premium in case of alteration of risk.
- § 26. Disclosure of facts increasing the risk.
- § 27. Nondisclosure with regard to and alteration of risk of part of the subject-matter insured.

Section 6. Measure of Indemnity.

- § 28. The risk.
- § 29. General average.
- § 30. General average contributions.
- § 31. General average sacrifice.
- § 32. Particular charges. Extra charges.

- § 33. Faults committed by the person effecting the insurance.
- § 34. Free of average under 3 per cent.
- § 35. War risks.
- § 36. Losses caused by judicial procedure.
- § 37. Measure of indemnity.
- § 38. Settlement for total loss.
- § 39. Insurance on time.

Section 7. Duty to inform the Insurer. Duty to avert or minimize the Loss.

- § 40. The insurer to be kept informed.
- § 41. Duty to avert or minimize the loss.

Section 8. Loss must be notified. Evidence to be produced. Claim when due.

- § 42. Loss must be notified.
- § 43. Evidence of loss.
- § 44. Presentation of account. Claim when due.

Section 9. Subrogation.

- § 45. Subrogation.
- § 46. Duty to minimize the loss notwithstanding subrogation.

- § 47. Section 10. Insolvency of Insurer.

- § 48. Section 11. Statutory Limitations.

Section 12. Transfer of Thing insured.

- § 49. General principles.
- § 50. Transfer of ship and ship's shares.
- § 51. Mortgage of claim against insurer.

Section 13. Insurance for account of another.

- § 52. Insurance for one's own account, for account of another, for account of whom it may concern.
- § 53. Position of assured.
- § 54. Position of person effecting the insurance.
- § 55. Assured and person effecting the insurance.
- § 56. Set-off by insurer.
- § 57. Knowledge of person effecting the insurance and of assured as to facts to be communicated to insurer.

Second Part. Special Rules on special Subjects.

Section 1. Insurance on Ship.

- § 58. Seaworthiness.
- § 59. Wear and tear.
- § 60. Dangerous goods.
- § 61. Breaking through ice.

- § 62. Sacrifice of deck cargo.
- § 63. Sacrifice where ship sails in ballast.
- § 64. Reward for services rendered to be taken in account.
- § 65. Damage done to cabin or machinery.
- § 66. Duration of risk.
- § 67. Continuation of risk.
- § 68. Continuation of risk in insurances on time.
- § 69. Successive voyages insured in one contract.
- § 70. Insurable value.
- § 71. Total loss.
- § 72. Missing ships.
- § 73. Seizure and detention. Pirates.
- § 74. Partial loss.
- § 75. Repairs.
- § 76. Deductions new for old.
- § 77. Constructive total loss.
- § 78. Liability to third persons in case of collision.
- § 79. Other insurances with regard to the ship.

Section 2. Insurance on Goods.

- § 80. Meaning of "goods and merchandises".
- § 81. Goods disposed of in order to prosecute the voyage.
- § 82. Liability of insurer for damage sustained.
- § 83. Goods transhipped and return goods.
- § 84. Goods already damaged.
- § 85. Deck cargo.
- § 86. Inherent vice.
- § 87. Clauses exempting carrier from liability.
- § 88. Duration of risk.
- § 89. Risk of craft.
- § 90. Insurable value.
- § 91. Total loss. Abandonment.
- § 92. Total loss of part.
- § 93. Damage.
- § 94. Partial loss or damage.
- § 95. Alteration of means of transport.
- § 96. Sale of goods.
- § 97. Floating policies.
- § 98. Open policies.
- § 99. Other insurances in respect of goods.

Section 3. Insurance on prospective Profits and Commission.

- § 100. Valuation.
- § 101. Goods and profits insured in one sum.
- § 102. Floating policy.
- § 103. Insurance on profits in case of loss or damage done to goods.
- § 104. Commission.

Section 4. Insurance on Freight, Ship's hire and Passage-money.

- § 105. Insurance on freight. Measure of indemnity.
- § 106. Insurance on freight. Duration of risk.
- § 107. Insurable value of freight.
- § 108. Ship's hire.
- § 109. Passage-money.

Section 5. Disbursements.

- § 110. Insurable value. Measure of damages. Subrogation.
- § 111. Measure of indemnity.
- § 112. Duration of risk.

Third Part. Special Clauses.

- § 113. Free of particular average.
- § 114. Free of particular average, unless the ship be stranded.
- § 115. Free of breakage.
- § 116. Free of breakage, unless the ship be stranded.
- § 117. Free of average under a certain percentage.
- § 118. Free of the first (specified) percents.
- § 119. Free of disturbances of war.
- § 120. "On safe arrival", "on safe course".
- § 121. War risks only.
- § 122. War risks included.
- § 123. For total loss only.
- § 124. From warehouse to warehouse.

Fourth Part. Miscellaneous.

- § 125. Sea- and inland-voyage combined.
- § 126. German Law to be applied.
- § 127. Jurisdiction.

Index Page 57

Appendix

Supplementary Clauses to the General Rules of Marine Insurance (M.I.R.) for Cargo (1947)	Page 64
D.T.V.-War Risk Clause 1955 for Transports of Goods by Sea ..	Page 72
D.T.V.-War Risk Clause for Conveyance by Post to and from Foreign Countries	Page 74
D.T.V.-War Risk Clause for Air Transport to and from Foreign Countries	Page 75

FIRST PART
General Principles

SECTION 1.

Insurable Interest.

§ 1

Insurable interest defined.

(1) Every person has an insurable interest, who stands in any relation to a marine adventure in consequence of which he may benefit by the safety or due arrival of ship or goods at risk therein. provided that the loss or damage sustained can be measured in money.

(2) The principal subject-matters of marine insurance are as follows:

- the ship,
- goods,
- profit contingent upon the arrival of goods at place of destination (prospective profits),
- commission to be earned in case of arrival of ship or goods at place of destination,
- freight,
- ship's hire,
- passage money,
- loan on bottomry and respondentia,
- advances, disbursements and other liabilities, if the amount of the debt is secured by property exposed to marine risks,
- the risk undertaken by the insurer (reinsurance).

A contract expressing to be on one of the aforementioned subject-matters of insurance does not cover a subject-matter not designated therein. A reinsurance, in particular, must be specified as such at the time the contract was entered into.

(3) A wrong statement as to the interest in the thing insured entitles the insurer to avoid the contract. A designation, however, of ship's hire as time-freight or vice versa does not entitle the insurer to avoid the contract.

§ 2

Where the assured has no insurable interest.

(1) A contract is void, where the assured has no insurable interest. Thus, a contract by way of gaming or wagering is void.

(2) Nevertheless, the premium is due, unless the insurer was aware of this fact at the time the contract was entered into.

§ 3

Insurable interest and payment of premium.

(1) The person effecting the insurance*) is discharged from his liability to pay the premium, if, at the time the contract was entered into, he did not know or need not have been aware of the fact that the assured had no insurable interest. If the contract has been concluded through an agent, the agent to insure is deemed to know whatever, in this respect, was known to or ought to have been known by the person effecting the insurance.

(2) If, however, the person effecting the insurance does not disclose the fact that there is no insurable interest within a year from the day the contract has been concluded, or if, having become aware of this fact within the course of the year, he does not immediately disclose it to the insurer, he remains bound to pay the premium.

(3) If no premium is due, the insurer, nevertheless, is entitled to receive a consideration to the amount of ohne half of the premium, but in no case exceeding $\frac{1}{8}$ per cent. of the sum insured (vide infra § 18).

§ 4

Where interest ceases or does not come into existence.

(1) The person effecting the insurance is discharged from his liability to pay the premium, where the interest insured has not attached or where the assured, though in treaty for, has not acquired an interest in the thing insured, provided these facts have been disclosed to the insurer by the person effecting the insurance within a year from the day the contract was entered into or immediately after. If no premium is due, the insurer is entitled to receive a consideration within the limits defined in § 3, subs. 3.

*) The person effecting the insurance (Versicherungsnehmer, assuré contractant or commissionnaire) is the person, in whose name the contract of insurance is made. If this person covers his own interest in the subject-matter insured, the person effecting the insurance is identical with the assured. If he covers the interest of other persons (insurance for account of others), not acting in his own name, he is simply an agent and is not termed a person effecting the insurance. A broker, generally, is an agent; he is, however, a person effecting the insurance, if the contract is made out in his name. For particulars vide infra §§ 52 fg.